



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 04/25/06

AGENDA ITEM 2

WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Skywest T-Hangar Construction and Paving: Approval of Plans and Specifications and Call for Bids, and Authorization to Submit Applications for a State Airport Fund Loan

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolutions that:

1. Approve the plans and specifications for the Skywest T-Hangar Construction and Paving Projects and call for bids to be received on May 23, 2006; and
2. Authorize submittal of an application to the Caltrans Division of Aeronautics for a State Airport Fund loan.

BACKGROUND:

On January 20, 2004, the City Council authorized the reconfiguration of the EPIC Aviation leasehold in order to allow the City to develop additional T-hangars, originally planned where the new Park Avion executive hangars are being constructed, north of the control tower. The two combined projects (one for the hangar construction and the other for the associated paving) are in response to the need for additional T-hangars, as designated in the City's Airport Master Plan Update. Adopted by Council in 2002, the Airport Master Plan Update recognized the present demand for hangars and provided recommendations to meet anticipated future hangar demand. The number of persons on the City's T-hangar waiting list is currently over 250. The new T-hangars will be owned, operated, and maintained by the City. The hangar development will also help meet the general aviation aircraft storage needs in the San Francisco Bay Area.

On July 13, 2004, the City Council authorized the City Manager to execute an agreement with Mead & Hunt, Inc., to provide engineering services for the Skywest T-Hangar Construction and Paving projects. The project consists of three pre-engineered metal frame aircraft storage hangar buildings including concrete foundation, lighting, individually metered electricity, telephone, fire protection systems, and associated paving work. Also included in the site work is the installation of various required utilities.

The FAA has published a Finding of No Significant Impact (FONSI) for all of the projects listed in the current Master Plan, which includes the Skywest T-Hangar Construction and Paving projects. These projects were analyzed in the EA/EIR for the Airport Master Plan in 2002. No further review under CEQA is required.

PROJECT COST:

The estimated costs of the total project are as follows:

| | |
|---|--------------------|
| Construction Cost | \$3,650,000 |
| Consultant Design & Construction Support Services | 250,000 |
| City Design and Administration | 100,000 |
| Inspection and Survey | 140,000 |
| Total | <u>\$4,140,000</u> |

Although satisfying a definite need for T-hangars, before recommending advertisement of this project, staff analyzed what hangar rental rates would need to be in order to recover the estimated construction costs and debt service for the recommended borrowing. It was determined that these new T-hangars will need to rent for \$500 to \$650 per month, depending on type, which is almost an 80 percent increase over existing hangar rental rates. Despite these higher rates, staff has obtained commitments with first and last month deposits for 83 percent of the hangar spaces and is confident the remainder will be rented before construction is complete.

FUNDING:

The 2005-06 Capital Improvement Program includes \$4,140,000 in the Airport Capital Improvement Fund for the Skywest T-Hangar Construction and Paving projects. Staff recommends applying for \$2,400,000 through a State Airport Fund Loan from the Caltrans Division of Aeronautics to help finance the project. With an estimated 5.5 percent annual interest rate and the proposed new rental rates, the Airport will receive sufficient rental income to repay the Airport's investment and the state loan over the life of the loan, which is 17 years.

SCHEDULE:

| | |
|-----------------------|------------------|
| Receive Bids | May 23, 2006 |
| Award Contract | June 6, 2006 |
| Begin Construction | July 5, 2006 |
| Complete Construction | December 1, 2006 |

Prepared by:


Morad Fakhrai, Deputy Director of Public Works

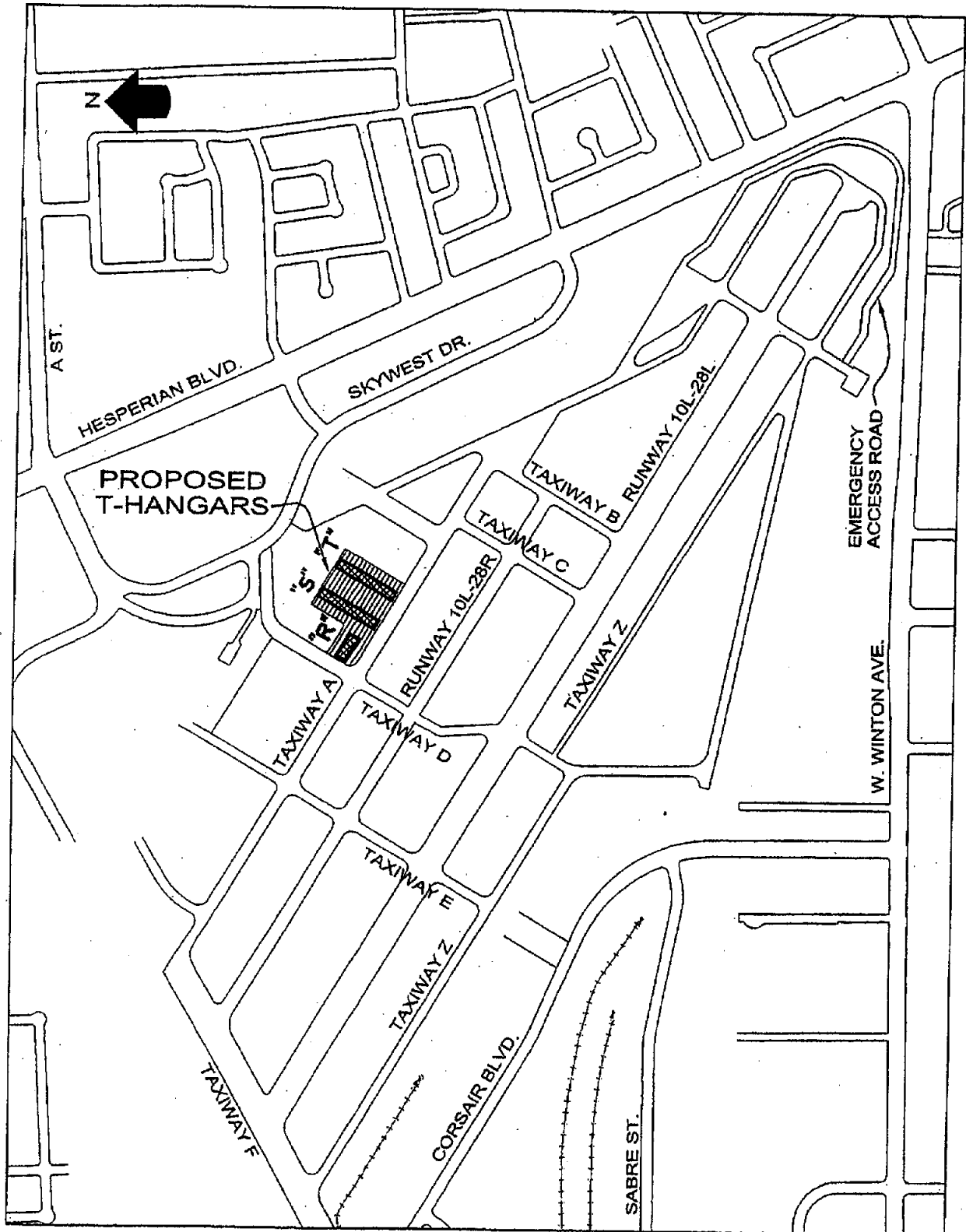
Recommended by:


Robert A. Bauman, Director of Public Works

Approved by:


Jesús Armas, City Manager

Attachments: Exhibit A: Location Map



HAYWARD EXECUTIVE AIRPORT
SKYWEST T-HANGAR CONSTRUCTION AND PAVING
PROJECT NOS. 6828 & 6829
LOCATION MAP

EXHIBIT A

DRAFT *NH 4/20/06*

HAYWARD CITY COUNCIL

RESOLUTION NO. 06-

Introduced by Council Member _____

**RESOLUTION APPROVING PLANS AND
SPECIFICATIONS FOR THE SKYWEST T-HANGAR
CONSTRUCTION AND PAVING PROJECTS, PROJECT
NOS. 6828 AND 6829, AND CALL FOR BIDS**

BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. That those certain plans and specifications for the Skywest T-Hangar Construction and Paving Projects, Project Nos. 6828 and 6829, on file in the office of the City Clerk, are hereby adopted as the plans and specifications for the projects;
2. That the City Clerk is hereby directed to cause a notice calling for bids for the required work and material to be made in the form and manner provided by law;
3. That sealed bids therefor will be received by the City Clerk's office at City Hall, 777 "B" Street, 4th Floor, Hayward, California 94541-5007, up to the hour of 2:00 p.m. on Tuesday, May 23, 2006, and immediately thereafter publicly opened and declared by the City Clerk in the Public Works Conference Room 4D, located on the 4th Floor of City Hall, Hayward, California; and
4. That the City Council will consider a report on the bids at a regular meeting following the aforesaid opening and declaration of same.
5. The project was analyzed in the EA/EIR for the Airport Master Plan in 2002 and no further review under CEQA is required.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DRAFT *NH*
2/20/26

HAYWARD CITY COUNCIL

RESOLUTION NO. 06-_____

Introduced by Council Member _____

**RESOLUTION AUTHORIZING THE CITY MANAGER TO
SUBMIT AN APPLICATION TO THE CALTRANS DIVISION
OF AERONAUTICS FOR A STATE AIRPORT FUND LOAN**

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute and file on behalf of the City of Hayward that certain application, and all other documents for implementation thereto, with the Caltrans Division of Aeronautics for a State Airport Fund Loan in the amount of \$2,400,000 to fund the Skywest T-Hangar Construction and Paving Project, Project Nos. 6828 and 6829.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward